CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)
SPECIAL TERMS AND CONDITIONS

PROJECT NUMBER:	11-W-00139/3
PROJECT TITLE:	District of Columbia Medicaid Section 1115 Proposal for Childless Adults Aged 50-64
AWARDEE:	District of Columbia Medical Assistance Administration

PREFACE

The following are Special Terms and Conditions (STCs) for the award of the District of Columbia Medicaid Section 1115 Health Care Reform Demonstration request submitted on November 3, 1999.

The District of Columbia (the District) agrees that it will comply with all applicable Federal statutes relating to non-discrimination. These include, but are not limited to the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

Letters, documents, reports, or other material that is submitted for review or approval shall be sent to the CMS Central Office District of Columbia Demonstration Project Officer and the District of Columbia Representative at the CMS Philadelphia Regional Office.

LEGISLATION

1. All requirements of the Medicaid program expressed in laws, regulations, and policy statements, not expressly waived or identified as not applicable in the award letter of which these STCs are part, shall apply to the District's section 1115 demonstration.

2. The District shall, within the time frame specified in law, come into compliance with any changes in Federal law or regulations affecting the Medicaid program that occur after the demonstration award date.

PROGRAM DESIGN/OPERATIONAL PLAN

3. The District's section 1115 demonstration must adhere to all requirements, but is not limited to all requirements, of the approved section 1915(b) waiver program. The District's section 1915(b) Medicaid managed care waiver program, as approved on July 27, 2001, may continue to operate for its approved two-year period. All access, quality, reporting, and other requirements of the District's section 1915(b) waiver program must be extended to the population covered by this section 1115 demonstration. The District's section 1115 demonstration will utilize the same health care delivery system as the approved section 1915(b) waiver.

4. Demonstration Population – Applicants who are non-disabled adults, who are not custodial adults or resident care-takers of children under the age of 19 (i.e., childless adults), between the ages of 50 and 64 years of age, with an income that is at or below 50 percent of the Federal Poverty Level (FPL) are eligible for this demonstration. An applicant is an individual who was not eligible to receive Medicaid services in the previous calendar month.

5. You have requested and we have agreed to an enrollment cap of 2,400. During the demonstration, any changes to enrollment, including the demonstration population, should be submitted as a demonstration amendment no later than 90 days prior to the date of implementation of the change(s) for approval by CMS.

6. Beneficiary Survey – Within 15 months of implementation, the District shall conduct a statistically valid survey of the demonstration population. The survey methodology shall be provided to CMS for review upon request. At a minimum, the survey will include such measures as beneficiary satisfaction with the program administration and the care provided, and will include measures for the use of emergency rooms; waiting times for appointments; and access to specialty providers. Results of the survey shall be provided to CMS as part of the demonstration's annual report. Thereafter, the District shall conduct annual beneficiary surveys.

7. The District will submit a phase-out plan of the demonstration to CMS six months prior to initiating normal phase-out activities and, if desired by the District, an extension plan on a timely basis to prevent disenrollment of beneficiaries if the waiver is extended by CMS. During the last six months of the demonstration, no enrollment of individuals who would not be eligible under current law will be permitted. Nothing herein shall be construed as preventing the District from submitting a phase-out plan with an implementation deadline shorter than six months when such action is necessitated by emergent circumstances. The phase-out plan is subject to CMS review and approval. Additionally, if for some reason the District's 1915(b) waiver authority ceases to exist or is not renewed, a phase-out plan for the demonstration will be required as part of the 1915(b) phase out plan.

GENERAL FINANCIAL REQUIREMENTS

8. The District will report demonstration expenditures through the Medicaid and State Children=s Budget and Expenditure System (MBES/CBES), following routine CMS-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual. Expenditures subject to the budget neutrality cap will be reported on separate Forms CMS-64.9Waiver and/or 64.9PWaiver, identified by the demonstration project number assigned by CMS (including the project number extension, which indicates the demonstration year in which services were rendered). The District must report the waiver expenditures by date-of-service in the appropriate waiver year. To accomplish this reporting, every CMS-64.9/CMS-64.9P Waiver form must include the number of the demonstration year in which the services were provided. For monitoring purposes, cost settlements must be recorded on line 10.b, in lieu of Lines 9 or 10.c. For any other cost settlements (i.e., those not attributable to this demonstration), the adjustments should be reported on lines 9 or 10.c, as instructed in the State Medicaid Manual. The term, "expenditures subject to the budget neutrality cap" will

include all DSH expenditures and all Medicaid expenditures for persons enrolled in the demonstration. The sum of all waiver and DSH expenditures reported and attributed to a particular Federal fiscal year will represent the expenditures subject to the budget neutrality cap for that same Federal fiscal year as shown above.

9. Annual Federal fiscal year reporting and assessment against the current law DSH allotments shall include demonstration expenditures and DSH payments.

10. The District must continue to estimate matchable expenditures for the entire program (including the State plan and the demonstration) on the quarterly Form CMS-37. The District must provide supplemental schedules that clearly distinguish between estimates of expenditures subject to the budget neutrality cap (by major component) and estimates of expenditures that are not subject to the cap.

11. CMS will provide Federal Financial Participation (FFP) at the applicable Federal matching rate for the following, subject to the limits described above:

    a. Administrative costs, including those associated with the administration of the demonstration (not subject to the budget neutrality cap);

    b. Net expenditures of the Medicaid program and prior period adjustments which are paid in accordance with the approved State Plan (including disproportionate share hospital payments); and

    c. Net medical assistance expenditures made under section 1115 waiver authority, including those made in conjunction with the demonstration.

12. The District will certify District/local monies used as matching funds for the District of Columbia Demonstration and will further certify that such funds will not be used as matching funds for any other Federal grant or contract, except as permitted by Federal law.

GENERAL REPORTING REQUIREMENTS

13. The District will submit quarterly progress reports, which are due 60 days after the end of each quarter. The reports should include, as appropriate, a discussion of events occurring during the quarter that affect health care delivery; benefit package; enrollment and outreach activities; default assignments; quality of care; access; MCO financial performance; complaints and appeals to the District; and other operational and policy issues. The report should include proposals for addressing any problems identified in each report. Results of the District's monitoring efforts should be submitted with the quarterly progress reports and annual report.

14. The District must submit a draft annual report documenting accomplishments, project status, quantitative and case study findings, and policy and administrative difficulties no later than six months after the end of each operational year. Within 30 days of receipt of comments from CMS, a final annual report will be submitted.

15. The District will provide CMS with a copy of the monthly enrollment report.

16. All reporting requirements for the approved 1915(b) waiver program remain in effect.

BUDGET NEUTRALITY

17. The District's request is to spend an estimated 14% of the Federal share of the statutory disproportionate share hospital (DSH) allotment each year. Therefore, the budget neutrality limit for this section 1115 demonstration will be 14% of the federal share of the DSH allotment for each of the 5 years of the demonstration. The District must continue to comply with hospital specific limits as provided in OBRA 1993.

18. During each Federal Fiscal year of the demonstration period, federal match for DSH expenditure claims will be limited by current law DSH allotments. Because the beginning of the demonstration is unlikely to coincide with the beginning of the Federal fiscal year, expenditures subject to the cap will be determined by prorating FFY expenditures to reflect the portion of the FFY during which the demonstration was operational. If at the end of the demonstration period the budget neutrality provision has been exceeded, the excess Federal funds will be returned to CMS. If the demonstration is terminated prior to the 5-year period, the budget neutrality test will be prorated based on the time period through the termination date.